

**TESTIMONY BY
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Before the

**COMMITTEE ON SMALL BUSINESS
U.S. House of Representatives**

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Madam Chair. My name is Ronald Blackburn Moreno. I am President and CEO of the ASPIRA Association, the largest national Latino organization in the United States and the only one dedicated exclusively to education.

I want to thank the committee and it's Chair for the opportunity to be here today to present some ideas regarding a topic that has become critical in these very uncertain economic times: how can we use technology –especially technology-based distance learning- to promote entrepreneurship to stimulate economic growth and job creation; how we can help existing small businesses that are suffering disproportionately in this economic downturn; and how to enhance the effectiveness of the Small Business Administration in providing the training and support that entrepreneurs and small businesses need.

We all know the importance of the SBA in providing education, training and technical assistance to potential entrepreneurs to help them start new businesses, as well as to existing businesses so that they can survive and prosper. We also know of the enormous potential of technology and the Internet as a tool to deliver training and technical assistance. I believe that a robust, well-designed, comprehensive and nimble on-line distance learning training program at the SBA has the potential to reach and help thousands of potential business owners and businesses, as well as reduce the burden of on the SBA Assistance Centers like the Small Business Development Centers and Women's Business Centers the across the country and serve as a complement to their counseling services.

Before I comment on what on-line training resources should look like and alternatives for deploying it, it is important to note that a major issue many potential entrepreneurs and small businesses face is access to, and the cost of broadband, especially in low- income communities. Without access, either because broadband has not been deployed in their communities or because the cost of broadband is too high, on-line training programs are of little value. To address this issue, I would like to like to recommend the creation of an e-rate-like program to provide either a tax incentive or a direct subsidy specifically to small businesses to access and cover part of the cost of broadband, similar to what schools and libraries already have. The Telecommunications Industry Association advanced the notion of a subsidy before this committee just last month.

There are two major issues that the SBA must address if it is to have an effective distance learning program: a) the quality of the courses offered on-line, including the depth in content of each course and the teaching methods used in delivering the courses, and b) the number and relevance of the courses actually available.

Distance learning and on-line training have advanced tremendously in the past few years. Effective on-line training programs have several key characteristics:

1. the content of the courses is interesting, relevant to the learners needs, and is of sufficient depth for the learner to master a subject matter – for instance, you simply cannot learn how to develop a business plan or the intricacies of securing a business loan in 35 minutes;
2. they progress from the basics of the subject matter to more advanced topics in several, well thought out, steps;
3. they are interactive, where the learner becomes a participant in his/her own learning, using tools to engage in learning activities and practice;
4. they use a variety of teaching methods, including a combination of video (webinars, web-casts), audio and text;
5. they are mostly asynchronous –where the learner (especially a potential entrepreneur or small business owner) can access the courses at any time anywhere, and can complete their coursework at their own pace;
6. the learners are provided on-going support through the learning process, where the learner can ask questions as they learn through access to a tutor/teacher (real or virtual) as well as other learners; and
7. learning is assessed –through tests or other means- and feedback is provided to the learner throughout the learning process.

Regarding the variety of courses, the SBA courses should be extensive and the program should be capable of deploying coursework quickly to meet emerging challenges to business. The courses should cover among others, in depth, a whole host of topics on how to start a business, maintain and grow a small business. I can think of at least 20 courses that could be offered, from developing a business plan to credit, procurement, management, finance, and integrating technology into your business. But it should also be able to move quickly with the times such as this one such as courses on how to survive in an economic downturn.

Of course, given the demographics and the fact that the SBA serves Puerto Rico, the coursework should be available at least in Spanish if not in other languages as well.

Most importantly, distance learning is very cost effective. Developing courses and having them on-line today is actually quite cheap, especially with all the open-source, free and secure Internet platforms that are available.

A second major issue is how to reach potential entrepreneurs and small businesses, especially in lower income communities. A tried and true method of reaching communities is through its community based non-profit organizations. This is especially true in the Latino

community. For example, ASPIRA has 150 Community Technology Centers across the country, with computer labs connected to high speed Internet lines. These centers, as well as others, can serve as entry points for potential entrepreneurs and small businesses, where they can learn how to use the internet, have access to the courses, have local coaches to help and refer them to the SBA Assistance Centers, all in an environment that is familiar, comfortable, and which they trust. ASPIRA offers a variety of courses on-line, including an entrepreneurship course for students at its centers already. Extensive national partnerships between the SBA and community organizations would go a long way in providing the SBA access to these communities, and this would mostly be at little or no cost to the SBA.

If the SBA is going to be an effective promoter of new business and an effective partner in sustaining and growing existing small businesses, it is essential that it take full advantage of the power of technology as a training and assistance tool, that it invest the resources needed to create a robust, comprehensive on-line education program and that it partner with communities to reach thousands who would have the potential to start or grow a business and hence create jobs.

Thank you. I will be glad to answer any questions.